

I sign this bill, I am pleased to contribute my part to the preservation of the California Desert for the enjoyment of generations to come.

WILLIAM J. CLINTON

The White House,  
October 31, 1994.

NOTE: S. 21, approved October 31, was assigned Public Law No. 103-433.

## Letter to Congressional Leaders on Continuation of the National Emergency With Respect to Iran

October 31, 1994

*Dear Mr. Speaker: (Dear Mr. President:)*

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice, stating that the Iran emergency is to continue in effect beyond November 14, 1994, to the *Federal Register* for publication. Similar notices have been sent annually to the Congress and the *Federal Register* since November 12, 1980. The most recent notice appeared in the *Federal Register* on November 2, 1993.

The crisis between the United States and Iran that began in 1979 has not been fully resolved. The international tribunal established to adju-

dicate claims of the United States and U.S. nationals against Iran and of the Iranian government and Iranian nationals against the United States continues to function, and normalization of commercial and diplomatic relations between the United States and Iran has not been achieved. In these circumstances, I have determined that it is necessary to maintain in force the broad authorities that are needed in the process of implementing the January 1981 agreements with Iran and in the eventual normalization of relations with that country.

Sincerely,

WILLIAM J. CLINTON

NOTE: Identical letters were sent to Thomas S. Foley, Speaker of the House of Representatives, and Albert Gore, Jr., President of the Senate. The notice is listed in Appendix D at the end of this volume.

## Remarks in a Roundtable Discussion on the Direct Student Loan Program at the University of Michigan in Dearborn, Michigan

November 1, 1994

*The President.* Thank you very much, President Duderstadt. Ladies and gentlemen, first let me say how delighted I am to be back at this campus again. I visited here in 1992, and I'm glad to be here again.

One of the most important commitments I made to the voters in 1992, at least from my point of view, was that if I were to become President I would try to do something about the student loan program to make it easier for more people to access and for more people to

go to college and stay in college. I'd been very concerned, based on my experience as a Governor, with the number of our young people who either didn't go to school or who started and then dropped out because of the high cost of the college education, because they either couldn't get the loans or they thought if they did get the loans they would never be able to pay them back. I was also, frankly, outraged by the high default rate among people who had loans and didn't pay them back. So it seemed

to me that there ought to be an easier way to get the loans, to pay them back, and a better way to actually see that they were paid back.

What this program is designed to do is to lower the cost of the college loans to the students, give the students more flexible repayment terms, guarantee that if you choose to go into some line of work which doesn't have a high salary when you get out of college, that there is a limit to how much you can be required to repay as a percentage of your income but that if something happens and your circumstances improve and you want to pay the loan off quicker with lower interest rates, obviously you have that option as well. So I came here today just to learn how this program is working.

I want to say a special word of thanks to Congressman Ford who, as the chairman of the House Education Committee, spearheaded this, as well as to Congressman Dingell and Congressman Carr. We passed this program by the narrowest of margins in the Congress. There were a lot of people who didn't want us to pass it because there were a lot of people who were sort of middlemen in this operation who were making a good deal of money off the program. But this is amazing. We saved over \$4 billion over a 5-year period in the cost to the taxpayers. We already know we're going to cut \$2 billion in the cost to the borrowers. And we're going to be able to help more people in a better way, if it is properly implemented.

So we're here today, in large measure, to thank the University of Michigan and to thank Wayne State for joining the program next year. Michigan has probably had the strongest participation in the program of any State in the country so far. It's a real tribute to the leaders of your institutions of higher education that you're out ahead of this curve. But I think the students of America will demand to be included in this program, the more they hear about it, if it's properly implemented. So I came here today to listen and see how it's going and hear from all of you.

*[At this point, two students explained that the new William D. Ford Federal Direct Loan Program was beneficial to students planning to enter lower salary professions due to its flexible repayment terms. Another student then expressed appreciation for the AmeriCorps program.]*

*The President.* Let me interject here. For those of you who don't know, what Alex was talking about is AmeriCorps, the national service program, allows young people to earn credit against a college education at the same annual rate as the GI bill, for service to the United States here at home in community service work. So the two of these things together, he said, can have an even bigger impact in making it easier to complete your college education.

*[Another student expressed support for the AmeriCorps program. A participant then stated that he came from a low income family and could not attend college without student loans. He also commented on the minimal paperwork required by the new program. James Duderstadt, president of the University of Michigan, then introduced David Adamany, president of Wayne State University, who praised the new program's outreach to communities with high numbers of poor and minority students in need of financial support to attend college and expressed appreciation for the Department of Education's work on the program.]*

*The President.* Thank you very much. I think we should give a little credit here, as you did, to Secretary Riley and Deputy Secretary Kunin and Assistant Secretary Longanecker and all the others. They have worked very hard to get the mechanics right, the details right on this and to keep it going.

The other thing that I'd like to emphasize on the points you just made is that I have been very concerned about the number of our young students, and not-so-young students, who are having to really string out their college education because they want to do it all on a pay-as-you-go basis for this reason. It actually is not good economics for our country.

The average college graduate in the first year of work makes, as you all know, I'm sure, much more than the average high school graduate in the first year of work. What you may not know is that the gap between what they make now in 1994 is twice as great as it was in 1984. So these trends are rather dramatic, and they are not going to be reversed in the foreseeable future, which means that especially in areas which have traditionally had either high unemployment or low income, if you want to change the income mix of the people and change the nature of the economy, one of the things you simply have to do is to dramatically increase

the percentage of people who have a college education. It's one of the few things you can do in a short period of time, meaning over a 5, 6 year period, to change the income distribution in a community.

And so this is a very important thing not just for individual Americans and their opportunities, this is a big deal for our country and for whether we can continue to promote equality of opportunity and a better living standard and a rising living standard among people who have absolutely no way other than an education to achieve it.

*[President Duderstadt introduced Representative William Ford, who discussed consolidation and refinancing of preexisting loans under the new program and the tremendous decrease in paperwork due to its expanded use of computers. James Renick, chancellor of the University of Michigan at Dearborn, noted that the program served more students without an increase in administrative staff. After President Duderstadt invited students to comment, a participant stated that the direct loan program should be expanded. Another participant then explained that according to the legislation, only 5 percent of all student loans could be made through this program during its first year, but that in approximately 5 years most institutions should be offering it.]*

*The President.* This law passed the Congress last summer—I mean, summer before last, summer of '93. And then we had to do the rules, the regulations, set the system up. So no one could have been involved in it before then. And this is the first year, and then next year we'll have up to 40 percent of the institutions in the country involved. And then, eventually, we'll be offering it to everybody within a couple of years. And if we can get this message out across the country that it's working very well, then I think some of the reluctant student loan offices and institutions around the country will be changing their position rather rapidly.

*[President Adamany explained that the Federal Government's involvement in the direct loan program would help colleges and universities collect loan repayments and improve the image of institutions that accept high numbers of students who depend on loans. A participant then explained that while many students currently make several different payments to more than*

*one financial institution, under the new program they will only be required to send one check per month to the Internal Revenue Service. Another participant thanked the President for making affordable student loans available and for giving students from all backgrounds a chance to attend institutions like Michigan State, scheduled to participate in the second year of the program.]*

*The President.* They're coming the next time.

*[A participant discussed how the direct loan program was helping people see higher education as an investment in the future of individuals and of the Nation. Another participant added that the variety of loan repayment options would give more incentive and opportunity to people from low income families to get a college education. A participant then suggested that the benefits of the program should be better advertised to students.]*

*The President.* I think that's a very good suggestion. Let me say, we do have some money set aside for an advertising outreach program. And we wanted to wait to start to run the advertising until this first year—which is 5 percent of the institutions, as you've heard—until we had these programs up and going so we knew what would work, we had some of the kinks ironed out. And yet, we wanted to get people's attention up because, as you heard Bill Ford say, we're going to 40 percent next year, then 50 percent the year after, then anybody who wants to get in. So I think you will see some—if our program works the way it's supposed to, you should see some advertising about this program through the media within a matter of a couple of months.

*[Representative Ford noted that the Department of Education would have a toll-free telephone number to provide information about the program. A participant said that implementing the program gradually would help ensure its quality and disagreed with the criticism that offering more than one method of repayment could be confusing to students.]*

*The President.* Thank you.

*Q.* We should also note that you don't have to make a decision about anything until you reach repayment.

*Q.* That's right.

*Q.* And then if you make one decision, you can change it. You're not stuck for the rest

of your life with what you decide the day you graduate from college. You can adjust what's happening in your life.

Q. Which is key, because I may plan to get out and do more service. But I guess I don't plan to be a poor starving graduate student forever, and I'd like the ability to adjust my finances accordingly.

[President Duderstadt reviewed the benefits of the program and invited the President to make final comments.]

*The President.* Well, I think, first of all, the students have said it all, from my point of view. I do want to thank the Members of Congress who are here, Chairman Dingell, who's been characteristically reticent but has been so important to all of us. And Chairman Ford, thank you, and I'm very glad this program is named for you; it ought to be. And Bob Carr, I thank you for your help on this education initiative. But mostly I thank the students for what they've said because they have pointed out why this program will work and why it's important.

Again I will say, I just got interested in this because I got tired of hearing young people in my own State tell me they were going to drop out of college because they couldn't afford to take out another loan or tell me that they wouldn't go until they had some money because they knew they'd never be able to repay the loan. And I think we have changed all that now.

We've also been able to change it with good management and actually lower the cost to the Government, not increase the cost to the Government. It's unheard of that we can make better loans available at lower cost to the borrowers and still lower the costs to the taxpayers and drastically simplify it.

I will say this is a part of a series of things we are doing. We have done the same thing with the Small Business Administration loans, where a small business person can now fill out an SBA application that's one page long and get an answer within 3 days, something which was unheard of before. So we're trying to do this piece by piece by piece throughout the Government.

I also appreciated what Kelly said about the fact that we were willing, and wanted, in fact, to have one year where we started out on a very modest way, because there's always the possibility there could have been some difficulty here we had to deal with. But in the end, the

important thing is the students of this country—increasingly nontraditional students, increasingly not students that are just between the ages of 18 and 21—understand that this program is out there for them. Now they have to use it.

We—I will say again—this country is dealing with about 20 years in which the average earnings of hourly wage earners has been virtually stagnant when you adjust for inflation. If we want to get earnings up in America and we want to make a big dent particularly in population groups like Native Americans that have traditionally been lower income, there is no other way to do it in the near term, apart from dramatically increasing the number of young people who—and perhaps not-so-young people—who go to and finish college. There is no other near-term way for us to turn our society around on this economically.

So what I'm really hoping will happen as a result of this direct loan program is that enrollments will continue to rise dramatically and people who do not drop out will continue to drop dramatically, so that our country becomes a more educated place and our economy will become more powerful and our society will become more equal because people will be able to compete and win in a global economy. That is the ultimate goal of this entire enterprise. And from what I've heard today, I think it's been an effort worth making.

I thank you all for being here.

Q. Mr. President, on behalf of the University of Michigan and our sister institutions, we want to express our gratitude for your meeting with us today and sharing in this discussion.

I should point out that the President and I had a brief discussion before we came in, and we've agreed that we are going to arrange a little basketball match-up the first week in April between Arkansas and Michigan out in Seattle. [Laughter] Of course, we've got to do a little bit to get there first.

*The President.* That's right.

Q. The rematch.

Q. Thank you very much for returning to Michigan.

*The President.* Thank you.

NOTE: The President spoke at approximately 10:40 a.m. in the student union at the University of Michigan at Dearborn.